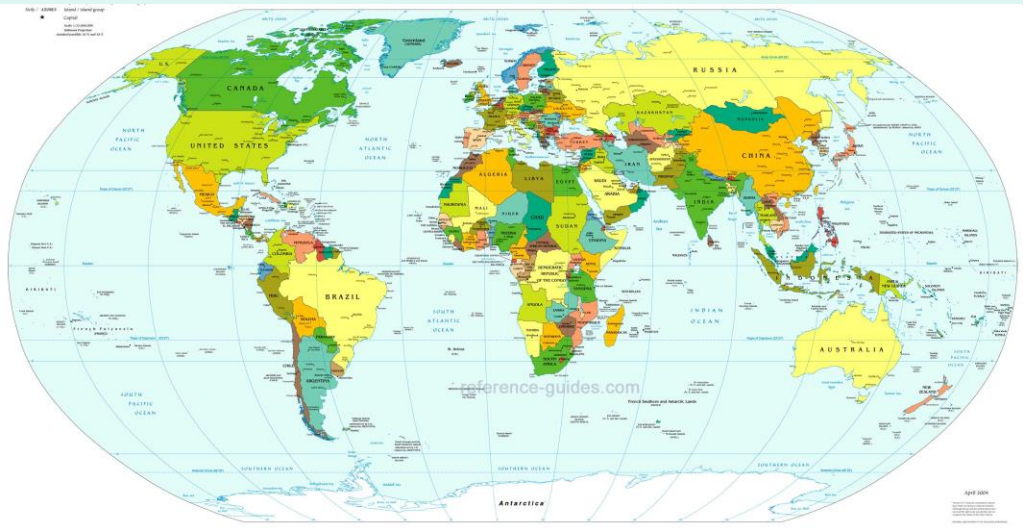
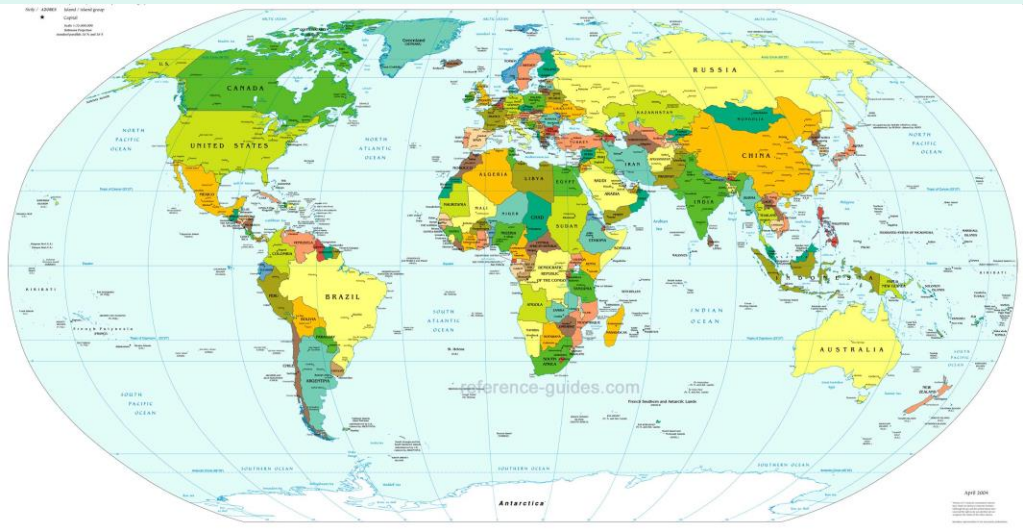


Global Labor Issues: *Short and Long Term*

Daniel J.B. Mitchell

UCLA Anderson School

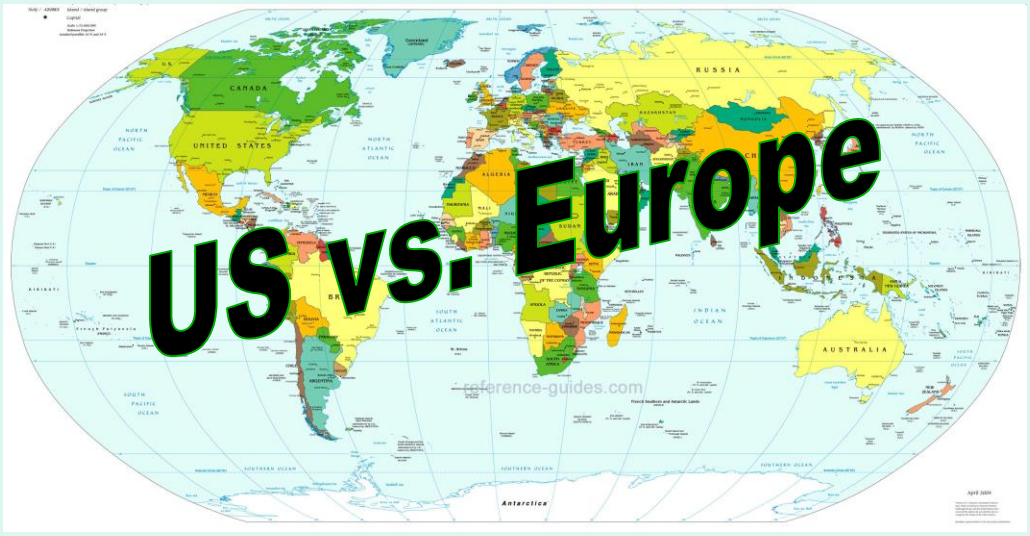
May 12, 2009



US vs. Europe on Job Creation at G20 (short run)

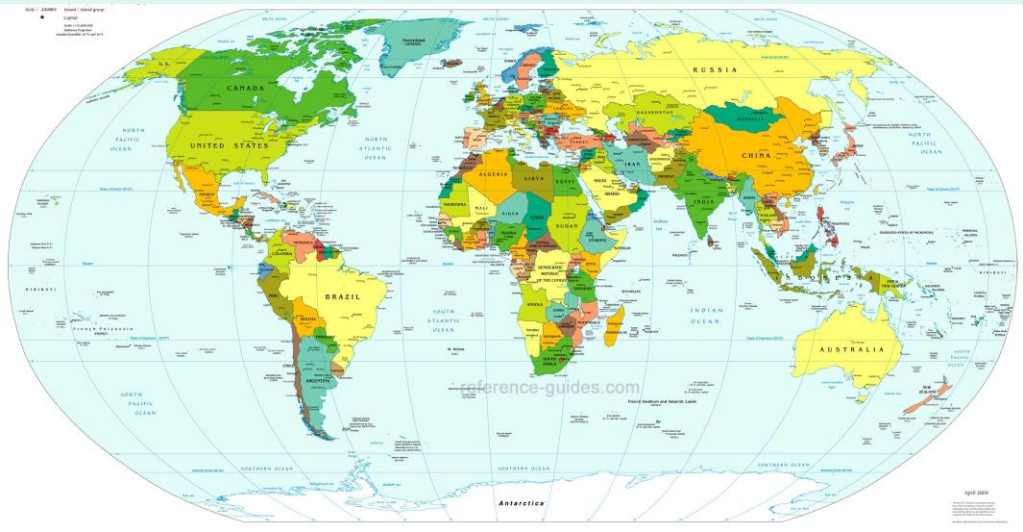
===

Redistribution of Mfg. Jobs Globally (long run)


US vs. Europe
RUSSIA
CANADA
UNITED STATES
AUSTRALIA
Antarctica

?

CALIFORNIA REPUBLIC



1. ≈1/8th of US
2. #7 (±) in world

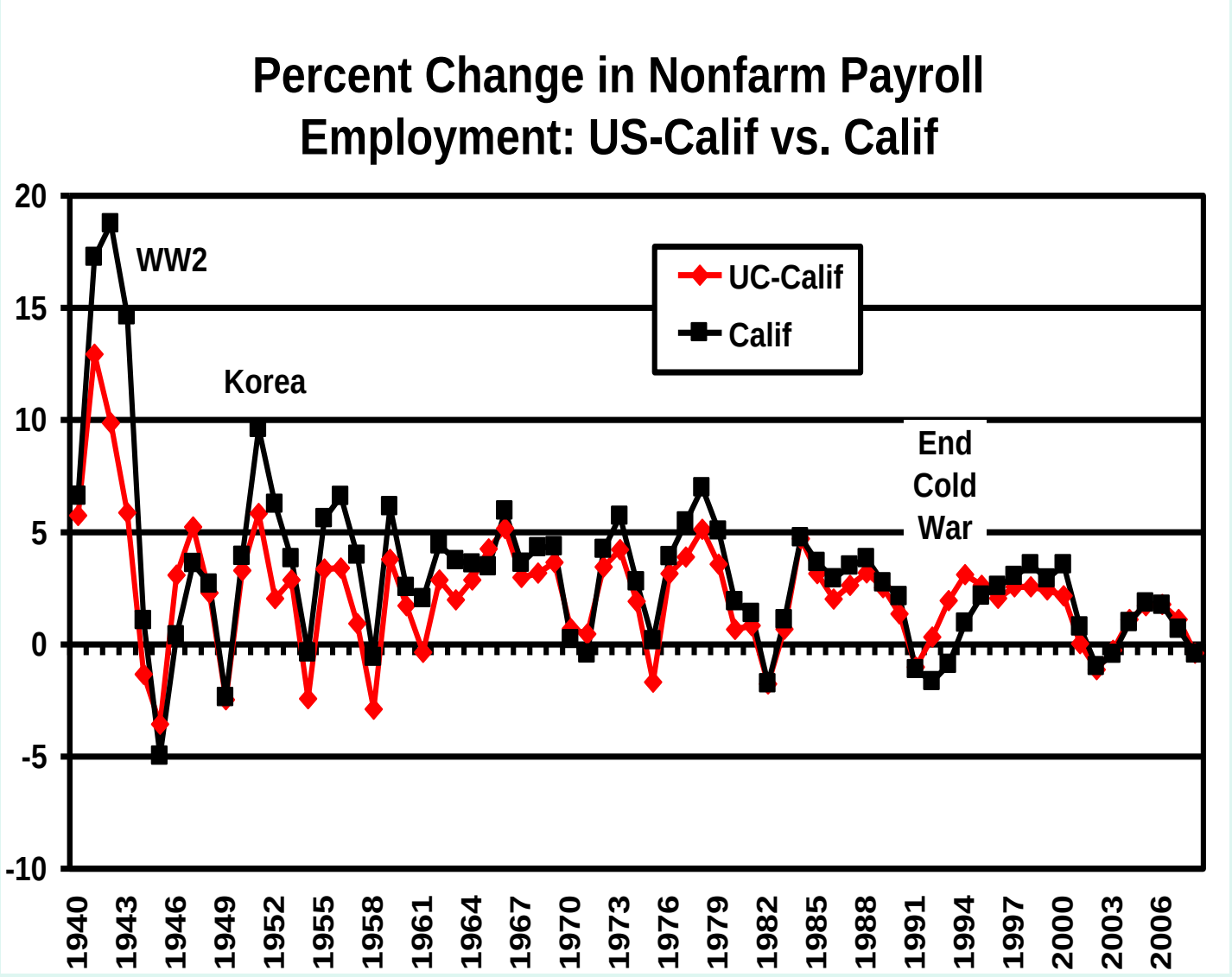
LEADERSHIP & THE ENVIRONMENT
Save the Planet– Or Else
Outside
Arnold
179
THE GREEN ISSUE

CALIFORNIA REPUBLIC

THE CLIMATE GROUP
Climate & Energy Roundtable
bp
Hosted by

- **Trade integration**
  - *–60% exports to all*
  - *–50% exports to US*
- **Financial integration**

Economic Sovereignty?



From WW2 on, the ups and downs in the California economy mirrored those in the rest of the US with adjustment for aerospace/military.

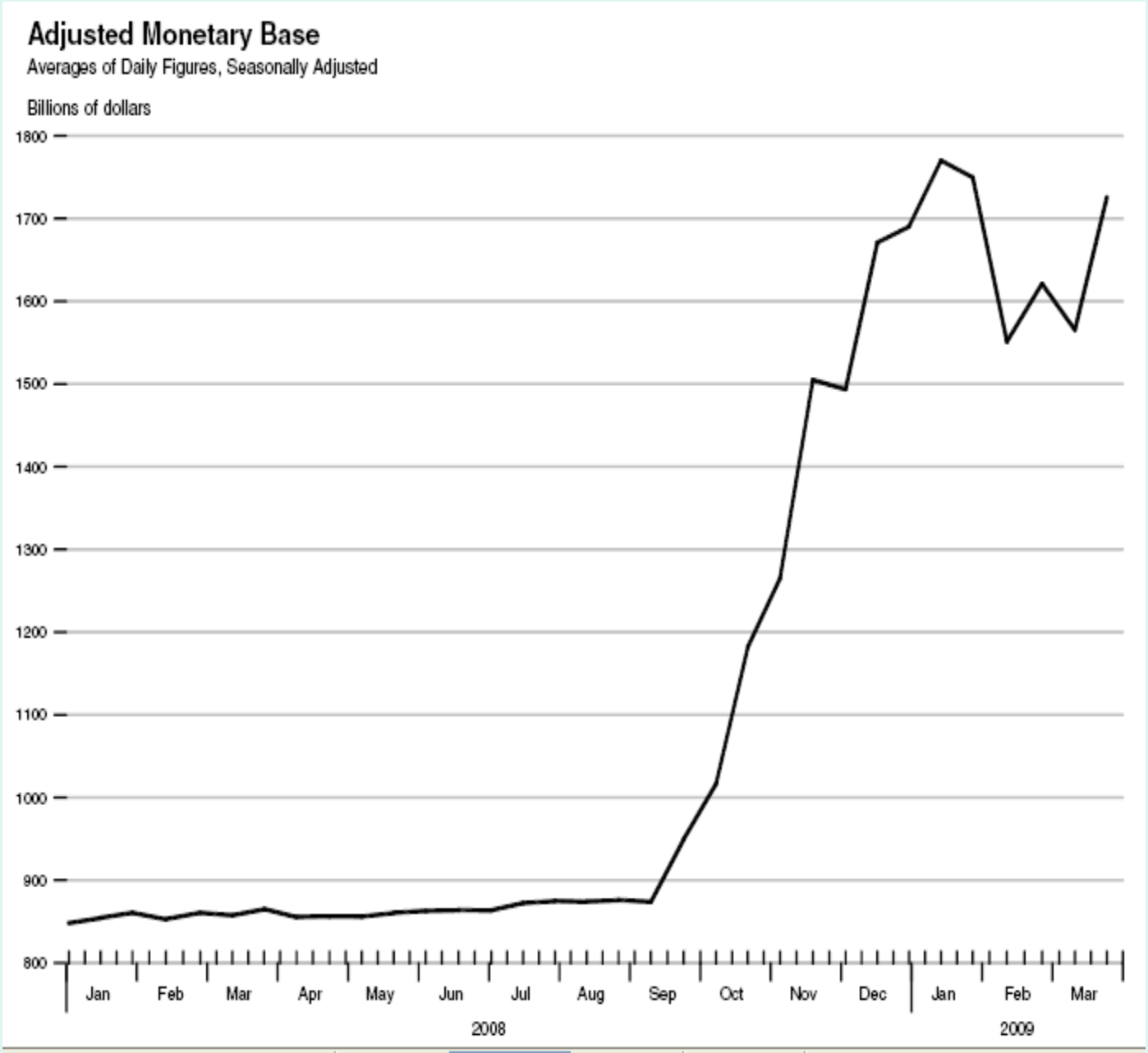
California has no Federal Reserve Unlike the U.S.

- **There is no California currency**

- **California can't set interest rates**
- **Its govt. can't run big deficits for long**

Fiscal policy without monetary policy?

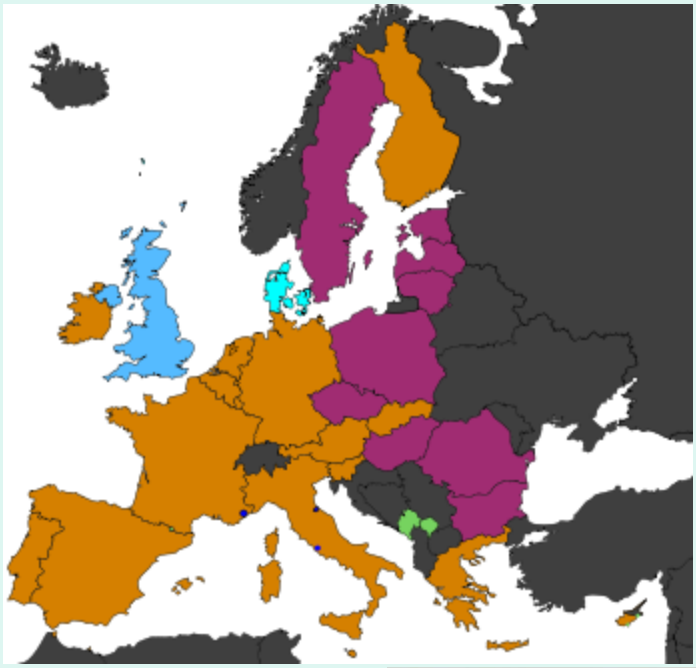
California has no Federal Reserve Unlike the U.S.



California has no Federal Reserve Unlike the U.S.

- **California in current economic crisis**
  - **Raising state taxes**
  - **Cutting state spending**
- **US in current economic crisis**
  - **Cutting federal taxes**
  - **Increasing federal spending**

COPE



10
amsterdam 25 april 1968
secretaris
president
de nederlandsche bank
TIEN GULDEN
10

GA1676319U8
DEUTSCHE BUNDESBANK
Beethoven
10
ZEHN DEUTSCHE MARK
GA1676319U8

EL BANCO DE ESPAÑA
9A3360433
CIEN
PESETAS
MADRID
100

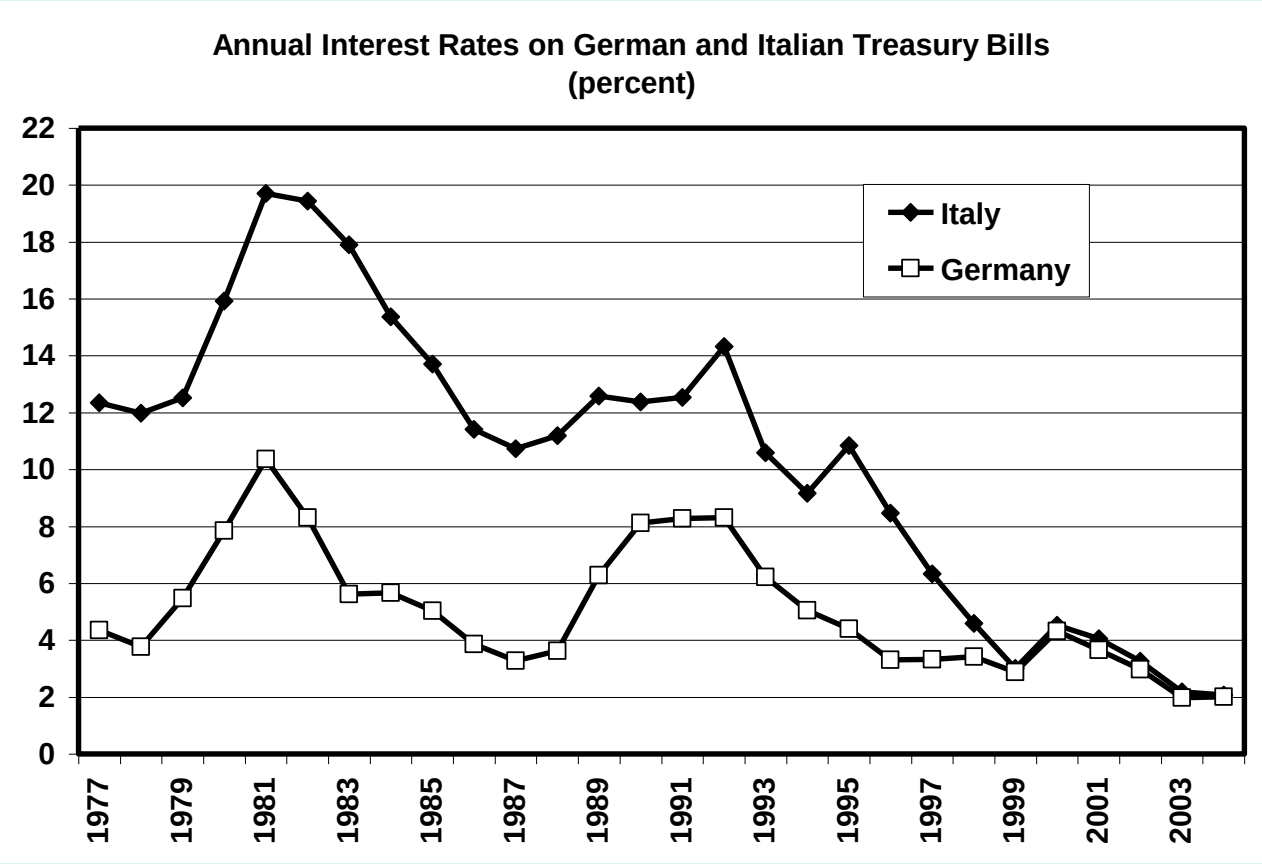
1000
LIRE
MILLE
BANCA D'ITALIA

KAKSIKYMMENTÄ MARKKA
20
SUOMEN PANKKI
2128280412
Lit. A
20

Banque de France
100
100 Cent

HONDERD FRANK
100
NATIONALE BANK VAN BELGIE

Banc Ceannais
na hÉireann
£5
Cúig Phunt
KJH364873 1601 97
KJH364873

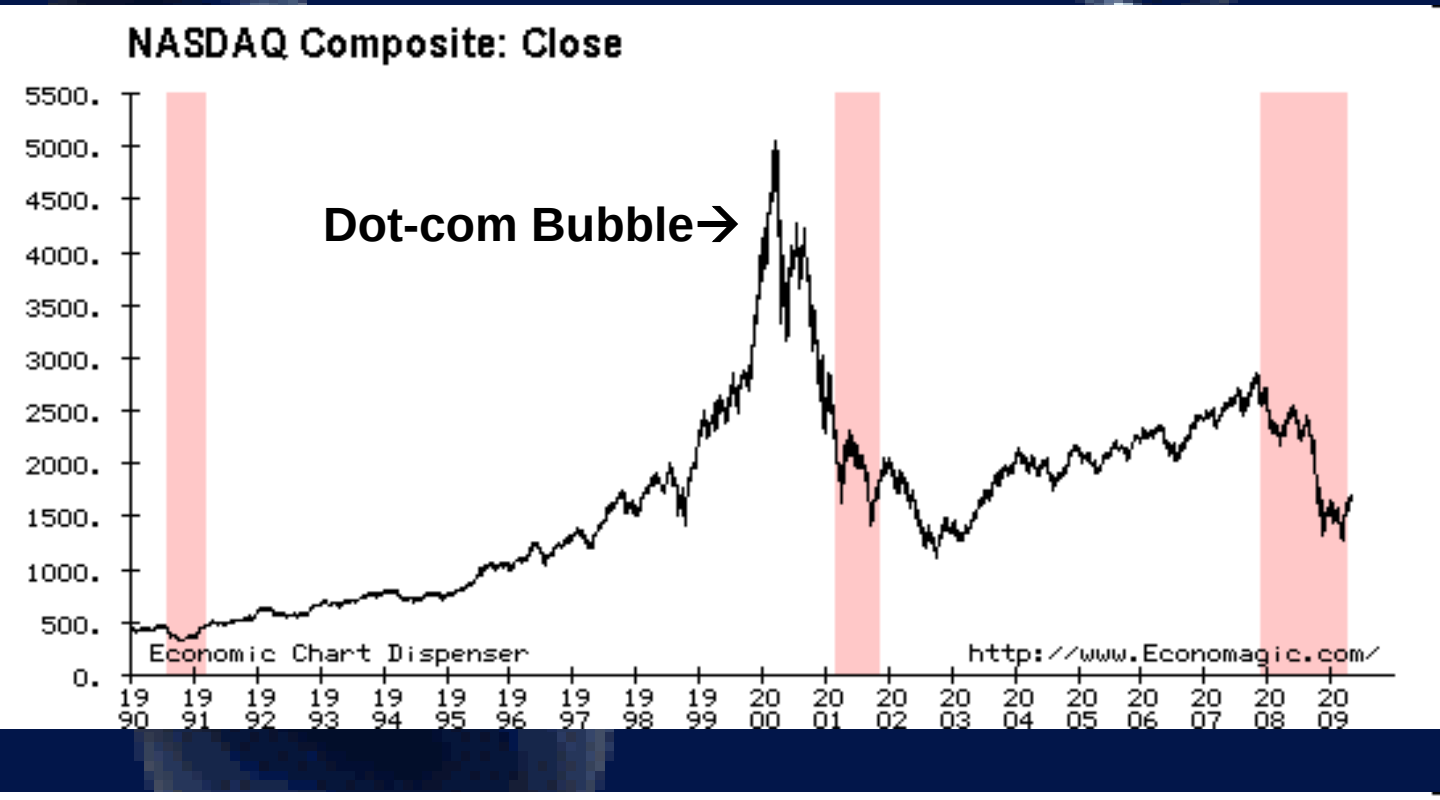

Annual Interest Rates on German and Italian Treasury Bills
(percent)
22
20
18
16
14
12
10
8
6
4
2
0
1977
1979
1981
1983
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
Italy
Germany

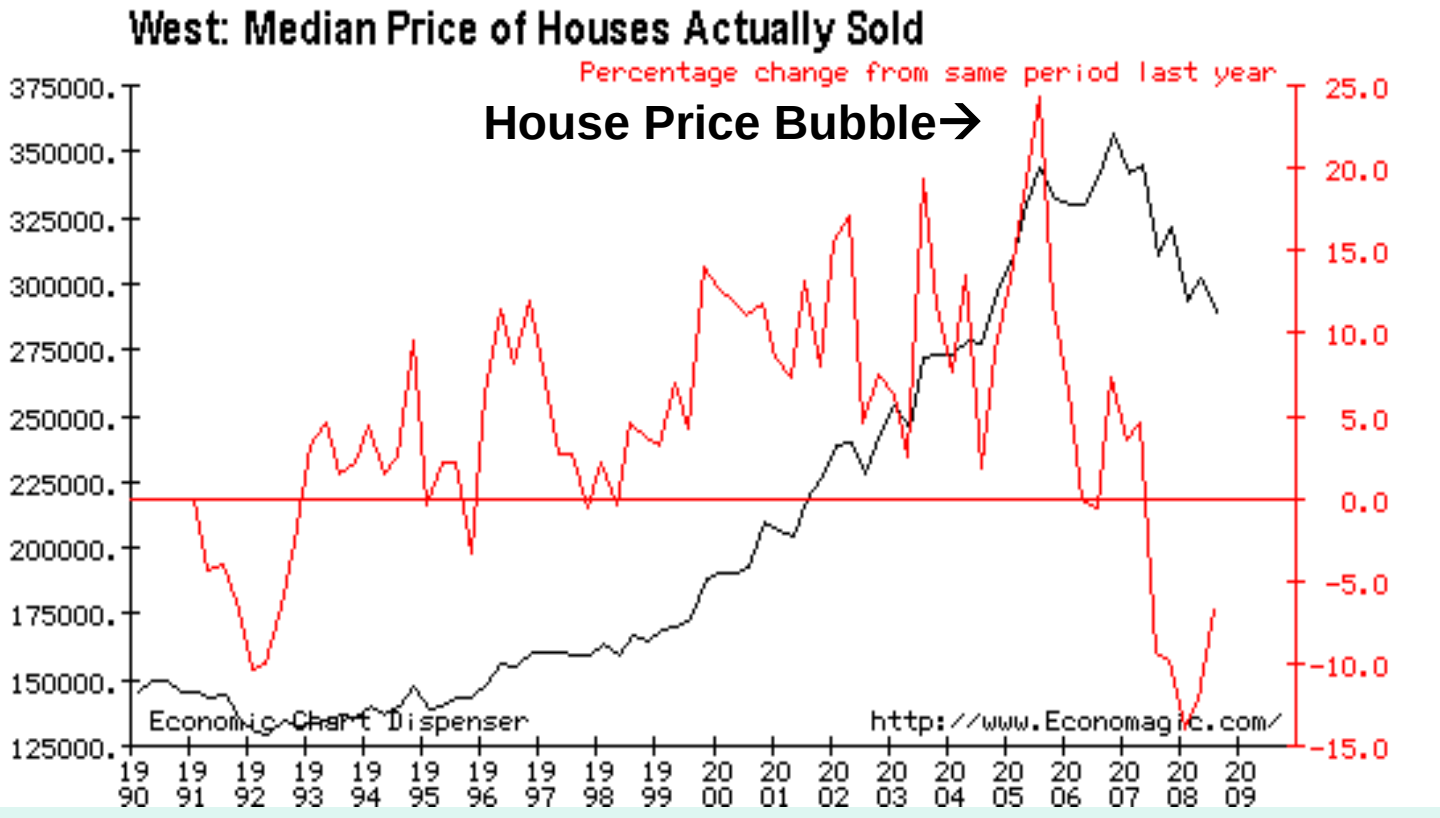
What do you give up first?

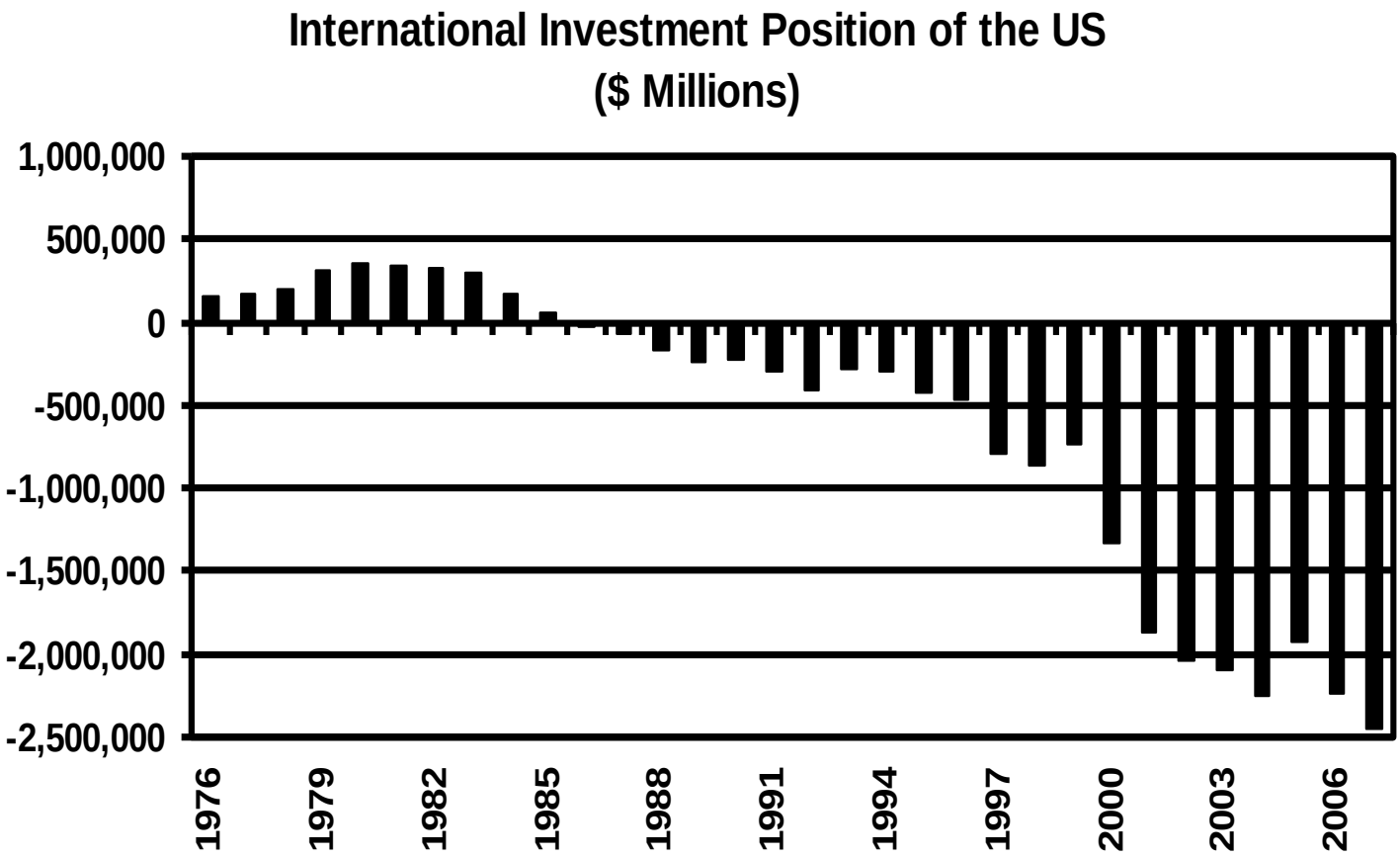
Topic #2

Redistribution of Mfg. Back to US?

Bubbles


NASDAQ Composite: Close
Dot-com Bubble→
Economic Chart Dispenser
http://www.Economagic.com/


West: Median Price of Houses Actually Sold
Percentage change from same period last year
House Price Bubble→
Economic Chart Dispenser
http://www.Economagic.com/



"That which cannot go on forever must come to an end."

Herb Stein

Stylized Facts: % of GDP (2007 VA)

• Agriculture	1%
• Mining	2%
• Manufacturing	12%
- Total	15%
• Net Exports	-5%
- Goods only	-6%

Simply to get to zero balance would boost output and employment in the goods sector by something like one third. To get to surplus would produce an even bigger boost.

Stylized Facts: % of GDP (2007 VA)

• Agriculture	1%
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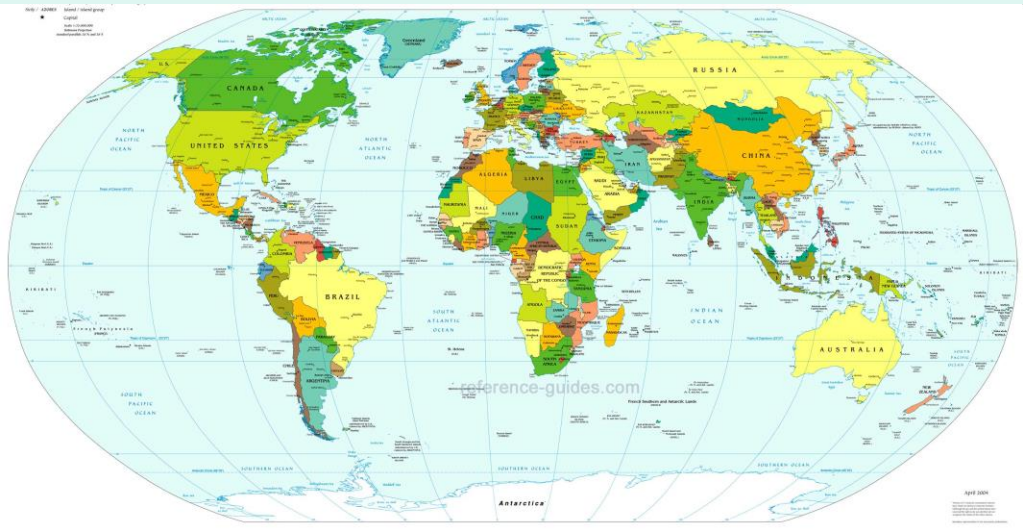
If we keep insisting that mfg. jobs must disappear, the US will not prepare the workforce for the right jobs. Other countries need to prepare for increased US net exports.



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